



FISCAL MEMORANDUM

HB 1387 - SB 1203

February 21, 2023

SUMMARY OF BILL AS AMENDED (003712): Expands the definition of nonprofit organization for purposes of the Tennessee Nonprofit Gaming Law to include a 501(c)(3) organization that is connected to a chamber of commerce and that has been active for at least 10 successive years in the county in which the foundation applies to hold an annual charitable gaming event.

Authorizes nonprofit organizations to submit an annual charitable gaming event application to the Secretary of State's (SOS) office within five calendar days after this act becomes law, for events to be held from the period beginning July 1, 2023, and ending June 30, 2024. Requires the omnibus list be transferred from clerks to the SOS within ten calendar days of this act becoming law.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue –

**\$300/FY23-24/Division of Charitable Solicitations and Gaming
\$1,200/FY24-25 and Subsequent Years/
Division of Charitable Solicitations and Gaming**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 3-17-103, a nonprofit organization may apply with the Secretary of State (SOS) to operate an annual charitable gaming event.
- Nonprofit organizations must submit a nonrefundable fee along with their annual event application, pursuant to § 3-17-104, with such fees reverting to the Division of Charitable Solicitations and Gaming. These fees are based on gross revenue of the annual event.
- It is estimated that the organizations that apply for an annual charitable event under the expanded allowance of the proposed legislation will pay a fee of \$300.
- According to information provided by the SOS, it is estimated that one additional organization will apply in FY23-24 as a result of this legislation, and that four additional organizations will apply in FY24-25 and subsequent years, each paying a fee of \$300.
- Therefore, the increase in state revenue to the Division of Charitable Solicitations and Gaming will be \$300 in FY23-24, and \$1,200 (\$300 x 4) in FY24-25 and subsequent years.

- Any increase in state expenditures to process additional applications will be not significant.
- The proposed legislation provides five additional days for nonprofit organizations to file annual event applications with the SOS for events held after June 30, 2023.
- It is estimated any increase in applications filed during the additional five-day period will be minimal and will not result in a significant increase in revenue.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/cd